GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5913
ANSWERED ON:03.05.2002
IMPORT OF VANASPATI FROM NEPAL
VAIKO

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the quantity and value of vanaspati imported from Nepal during each of the last three years;

(b) the price of vanaspati imported from Nepal and the cost of manufacturing vanaspati per quintal in the country; and

(c) the steps taken by the Government from the protection of domestic vanaspati producers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): According to information available, the quantity and value of vanaspati imported from Nepal during the last three years have been as under:-

Year	Quantity (In Mts)	Value (Rs. in crores)
1998-99	47050	184.19
1999-2000	54102	157.17
2000-2001	100545	213.77

Source : Department of Commerce

(b): Precise figure about the cost of manufacturing vanaspati in the country is not available. According to information available, wholesale prices of vanaspati imported from Nepal and wholesale prices of vanaspati manufactured in the country since January, 2002 are mentioned below:-

(Price in Rs. per 15 ltr. Pack)

Month	Prices of vanaspati imported from Nepal	Prices of vanaspati manufactured in the country
January	435	514
February	440	515
March	498	540
April	505	580

Source : Economic Times

(c): In the revised Indo-Nepal Treaty of Trade signed on 2nd March, 2002 for a period of five years with effect from 6th March 2002, the following steps have been taken for the protection of domestic of domestic vanaspati producers:

(i) Concept of value addition has been introduced.

(ii) Maximum third country input cannot exceed 75% of the ex-factory price during the first year (upto 5th March 2003) and it cannot exceed 70% thereafter.

(iii) Substantial transformation clause at the 4 digit HS Code intrduced.

(iv) Simple processors as listed in the Treaty could not be considered as manufacturing activities in Nepal.

(v) A comprehensive Certificate of Origin incorporating the above provisions prescribed. India can review such Certificates in case of doubt.

(vi) Safeguard clause introduced when Nepalese imports cause injury or threaten to cause injury to Indian industries. Under this clause, India can withdraw the preferential facility to Nepal if consultations do not resolve the problem.

(vii) a quantitative cap of one lakh MT per year with effect from 6th March, 2002 has been fixed for Nepalese vanaspati imports into India.